

# Minnesota Needs a Fair and Balanced Budget

***With once-in-a-generation surplus, Governor Dayton pushes new investments in education and transportation, provides tax cuts for more than 350,000 middle class Minnesota families***

***In time of surplus, House GOP pushes \$4 billion in permanent tax cuts for corporations and special interests, kicks 90,000 working families off health care, cuts job creation programs, and shortchanges our children's futures***

## **E-12 Education – \$537.9 Million Gap**

Governor Dayton's budget would send 47,300 four-year-olds to preschool for free, continue early learning scholarships for over 10,000 kids, eliminate the Head Start waiting list for 2,400 young children, increase funding for every school district in Minnesota, and make important investments to improve student achievement and help all our children achieve their greatest potential.

***By contrast, the House GOP plan would:***

- Provide limited new funding for essential classroom needs
- Provide no funding for universal prekindergarten
- Provide no funding for school breakfast for our youngest learners
- Eliminate funding for Regional Centers of Excellence, which have helped significantly narrow achievement gaps in struggling schools
- Provide no new funding for special education
- Provide no new funding for Head Start, forcing 2,400 kids to stay on the waiting list
- Provide no new funding for the Positive Behavior in School Program, which has significantly improved student behavior and curbed unnecessary school detentions
- Eliminate the opportunity for many high school students to take the ACT in preparation for college and other post-secondary studies

## **Higher Education – \$226.4 Million Gap**

Governor Dayton's budget would freeze tuitions for over 317,000 students at the University of Minnesota and MnSCU, expand the State Grant Program for 7,500 more students and increase Grant awards for an additional 93,000, and help 250 American Indian students pursue higher educations. It would also invest \$30 million to return the University of Minnesota Medical School to national prominence and train the next generation of world-class medical professionals right here in Minnesota.

***By contrast, the House GOP plan would:***

- Potentially raise tuitions at the University of Minnesota by as much as \$730 per year
- Raise tuitions at MnSCU campuses by as much as 3 percent
- Cut \$53 million from the State Grant Program, making college more expensive for 85,000 students; increasing their tuition burdens by \$250–\$659 per year
- Provide no new funding for American Indian Scholarships
- Provide no new funding for the University of Minnesota Medical School

## **Health and Human Services – \$1.493 Billion Gap**

Governor Dayton's budget would make critical investments in initiatives to strengthen families, prevent child abuse, improve mental health, provide additional outreach to parents of at-risk children, provide support and shelter for homeless and sexually-exploited youth, and seek long-term, sustainable solutions for Minnesota's health care systems.

***By contrast, the House GOP plan would:***

- Book \$530 million in fake budget "savings" that are unsubstantiated by the Department of Human Services, including a \$283 million hole in the state budget
- Eliminate reliable, affordable health care for 90,000 working Minnesotans and their families (44 percent of whom live in Greater Minnesota)
- Cut funding for child care assistance for working families
- Eliminate funding for the Statewide Health Improvement Program, which has helped communities across Minnesota reduce smoking, obesity, and chronic disease
- Eliminate home visiting services for high-risk pregnant women
- Shortchange funding for mental health providers
- Provide no new funding for grants to prevent Fetal Alcohol Syndrome
- Provide no new funding to address local public health needs in Greater Minnesota
- Dangerously under-fund essential state services for vulnerable populations, including the mentally ill

## **Transportation – \$3 Billion Gap**

Governor Dayton's budget would invest \$6 billion over the next ten years to address the state's highway funding deficit, invest \$2.356 billion in local government transportation projects, and provide \$2.92 billion for transit systems across Minnesota. The Governor's proposal would create an estimated 119,000 new jobs, and build the infrastructure necessary to meet the demands of a growing population and an expanding state economy. It would repair or replace 2,200 miles of roads and 330 bridges statewide, increase Metro Area transit ridership by 80 percent, and increase transit service in Greater Minnesota by 500,000 hours annually. Finally, it would invest \$330 million over the next ten years in critical railway safety improvements statewide.

***By contrast, the House GOP plan would:***

- Shift \$4 billion out of the General Fund over the next ten years, taking funds that would otherwise be dedicated to education and other essential services, and spending them instead on roads and bridges
- Cut \$723 million from the Metropolitan Council over the next ten years, which would stall development on additional transit projects, raise transit fares, and force significant cutbacks in bus services
- Provide \$325 million less than the Governor for critical railway safety improvements and eliminate funding for the state's Freight Rail Office and Rail Director – positions essential to improving railway safety as rail traffic continues to increase in Minnesota

## **Taxes – \$1.7 Billion Gap**

Governor Dayton's budget proposal would expand the Working Family Tax Credit to more than 287,000 middle class families, expand the K-12 Education Tax Credits to 16,800 more middle class families, and expand the Child and Dependent Care Tax Credit to 130,000 Minnesota families. Altogether, under the Governor's proposal over 350,000 Minnesota families would see a reduction in their taxes.

***By contrast, the House GOP proposal would:***

- Cut taxes by \$1.9 billion this biennium
- Provide over \$4 billion in permanent tax cuts for corporations and special interests, when fully phased-in
- Protect and maintain corporate tax loopholes
- Provide no changes to the Working Family Tax Credit, denying 257,000 middle class families additional tax relief
- Spend over \$170 million per biennium, when fully phased-in, to permanently cut the Estate Tax for the wealthy
- Cut property taxes for railroads hauling crude oil and other flammable loads; and protect railroads from paying new assessments that would be used to help pay for essential railway safety improvements statewide
- Cut tens of millions of dollars from Local Government Aid specifically for Duluth, St. Paul, and Minneapolis

## **Bonding – \$842 Million Gap**

Governor Dayton has proposed a Jobs Bill that would make critical investments across the state in infrastructure projects statewide, creating more than 23,900 Minnesota jobs. The Jobs Bill would fund a critical drinking water system in southwestern Minnesota, make port improvements statewide, upgrade college classrooms and laboratories, make needed safety improvements for highway rail separations, and replace two old veterinary laboratories with new labs to help Minnesota meet new disease challenges (including avian influenza). For a complete list of the projects the Jobs Bill would fund, [click here](#).

***By contrast, the House GOP proposal would:***

- Provide no new investment in critical infrastructure statewide
- Provide no funding for veterinary labs to help fight diseases like avian flu
- Provide no new funding for the Lewis & Clark Water Project
- Provide no new security improvements at correctional and prison facilities
- Provide no new improvements to MnSCU and U of M campuses statewide
- Provide no new investments in essential flood mitigation projects
- Provide no new investments in critical railway safety infrastructure statewide

## **Economic Development – \$41.5 Million Gap**

Governor Dayton's budget would continue investments in the successful Job Creation Fund and Minnesota Investment Fund. It would make additional investments in broadband infrastructure, and help unemployed and under-employed workers gain the skills they need to find good jobs and succeed in the workplace.

***By contrast, the House GOP proposal would:***

- Cut the Minnesota Job Creation fund by \$5 million, which would impede job growth and limit Minnesota's ability to compete with other states for business expansions
- Cut the Minnesota Investment Fund by \$7 million, which would impede job growth and limit Minnesota's ability to compete with other states for business expansions
- Provide just \$8 million (\$22 million less than the Governor) for the Broadband Infrastructure Grant Program – significantly limiting the investments the state can make in expanding access to high speed internet connections in Greater Minnesota
- Provide no funding for the Pathways to Prosperity workforce training initiative to serve individuals with barriers to employment

### **Public Safety – \$66 Million Gap**

Governor Dayton's budget proposal would fully-fund the state's Disaster Contingency Account, provided needed funding to properly-operate the Judicial System, and provide more cops to track down dangerous fugitives.

#### ***By contrast, the House GOP proposal would:***

- Significantly under-fund the state's Disaster Contingency Account, leaving the state less prepared to meet the needs of any unforeseen natural disasters; would provide \$9 million less than the Governor recommends for the Fund
- Shortchange the Chief Justice's request for funding for judges and public defenders
- Provide 13 fewer law enforcement officers and support staff than the Governor has recommended to apprehend fugitives and prevent criminals from becoming fugitives